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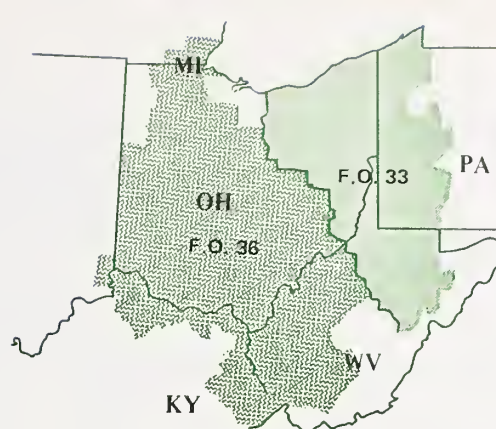


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THE MARKET ADMINISTRATOR'S BULLETIN

U.S. DEPT. OF AGRICULTURE
OFFICE OF THE MARKET ADMINISTRATOR
WASHINGTON, D.C. 20250
JULY 23 1985



OHIO VALLEY MARKETING AREA
FEDERAL ORDER NO. 33

EASTERN OHIO - WESTERN PENNSYLVANIA MARKETING AREA
FEDERAL ORDER NO. 36

VOL. XVI - NO. 7

C. MACK ENDSLEY, *Market Administrator*

JULY 1985

ISSUED FOR THE INFORMATION OF PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

DAIRY PROMOTION PROGRAM ORDER REFERENDUM

A national Order for dairy product promotion, research and nutrition education, authorized in the Dairy and Tobacco Adjustment Act of 1983, was fully implemented on May 1, 1984. The Order provides for a 15-cent per hundredweight assessment on all milk produced in the contiguous 48 states and marketed commercially by dairy farmers. A board of 36 dairy farmers appointed by the Secretary of Agriculture administers the Order.

The Act requires the Secretary to conduct a referendum among producers during August and September 1985 to determine whether a majority of producers who vote favor continuation of the Order. If continuation of the Order is not approved by a majority of the producers voting in the referendum, the law requires that the Order be terminated.

Voting will be conducted by mail beginning August 1, 1985. Completed ballots must be postmarked not later than August 20, 1985. Incomplete ballots or ballots postmarked after August 20, 1985, will not be counted.

Every producer engaged in the production of milk for commercial use during April 1985 is eligible to vote. Individual producer ballots, with instructions and postage-paid envelopes will be available at ASCS county offices.

USDA ANNOUNCES CHANGES IN DAIRY PRICE SUPPORT PROGRAM

Secretary of Agriculture John R. Block announced on June 26th that the national support price for milk will be reduced from \$12.10 to \$11.60 per hundredweight on July 1.

The support price is being reduced under section 201(d) of the Agricultural Act of 1949 as amended by the provisions of the Dairy and Tobacco Adjustment Act of 1983, which authorizes the Secretary of Agriculture to reduce the support price on July 1 if net price support purchases by the Commodity Credit Corporation (CCC) in the next 12 months are estimated to exceed five billion pounds of milk equivalent.

"We have determined that the new support price will assure an adequate supply of wholesome milk to meet current needs," Block said. "Even with the reduced support price, we estimate net price support purchases by CCC for the next 12 months will be 10.7 billion pounds milk equivalent -- more than double the trigger levels set by the Congress in the 1983 Act. The reduction in the support price is needed to bring about a reduction in the excessive CCC purchases and cost of the program."

The support price of \$11.60 is for milk with a milkfat content of 3.67 percent -- the national average -- and compares with \$11.31 per hundredweight for milk with a milkfat content of 3.5%.

The \$11.60 support price will remain in effect until September 30, 1985, at which time the amendments made by the 1983 Act expire. Unless new legislation is passed, the price support for milk will once again be governed by the permanent statutory provisions of the Agricultural Act of 1949, as amended. The permanent law requires a minimum support level of 75 percent of parity -- currently projected at \$16.72 per hundredweight on October 1.

The price support program for milk is carried out through CCC purchases of butter, cheese, and nonfat dry milk. The CCC purchase prices for these dairy products will be adjusted on July 1 to reflect the lower support price. In calculating the new purchase prices for butter and nonfat dry milk, two-thirds of the reduction in the support price for milk used in making those products is allocated to nonfat dry milk and one-third to butter. Other administrative program changes which were announced effective April 1, 1985, will remain in effect: a single, nationwide

COMPUTATION OF UNIFORM PRICE FOR JUNE 1985

UNDER FEDERAL ORDER 33

BASED ON HANDLERS' REPORTS TO MARKET ADMINISTRATOR

OHIO VALLEY MILK MARKETING AREA

	PERCENT	MILK POUNDS	3.5% PRICE PER CWT.	TOTAL VALUE
Class I Producer Milk	46.1	129,155,016	\$13.32	\$17,203,448.13
Class II Producer Milk	13.6	38,116,288	11.70	4,459,605.70
Class III Producer Milk	40.3	113,115,449	11.20	12,668,930.29
TOTAL PRODUCER MILK	100.0	280,386,753		\$34,331,984.12
Value of Overage				45,339.08
Value of Inventory Adjustment				169.12
Value of Other Source				-0-
Value of Class I Location Differentials				2,910.16
Value of Audit Adjustments				-0-
TOTAL POOL VALUE				\$34,380,402.48
Value of Producer Location Differentials				61,220.59
½ Unobligated Balance in Producer Settlement Fund				124,065.76
PRODUCER MILK AND ADJUSTED VALUE		280,386,753	\$12.327861	\$34,565,688.83
Producer Settlement Fund Reserve			0.047861	(134,195.56)
UNIFORM PRICE FOR 3.5% MILK		280,386,753	\$12.28	\$34,431,493.27
Uniform Price Subject to location Differentials				

MARKET SUMMARY FOR JUNE 1985

Gross Class I utilization averaged 4,348,752 pounds per day during June 1985. On a daily basis this was a decrease of 10.3% from the previous month and 6.4% less than June 1984.

The June 1985 Class I utilization of producer milk totaled 129,155,016 pounds or 46.1% of the reported producer receipts. This utilization percentage is 3.3% less than last month and 4.5% less than June 1984.

The average butterfat test for gross Class I utilization was 2.4% for June 1985.

Receipts from 5,093 producers by 39 pool handlers regulated by Order No. 33 averaged 9,346,225 pounds daily for

June 1985.

On a daily basis this was 3.6% less than last month and 4.4% more than June 1984.

Producers supplying the market decreased by 115 from the May 1985 total and decreased by 272 from June 1984. The daily average producer receipts per farm of 1,835 pounds was 26 less than the previous month. On a daily basis this is 166 pounds more than June 1984.

The June 1985 Class I price was \$13.32 per hundredweight for 3.5% milk delivered to pool plants in the Central Zone. This was 33 cents less than May 1985 Class I price and 45 cents less than the June

1984 price. Prices for Class I milk in parts of the marketing area other than the Central Zone reflect the specified location adjustment of minus 5 cents in the Northwestern Zone and plus 5 cents in the Southeastern Zone.

The Class II price for June 1985 was \$11.70. This was 1 cent less than the May 1985 Class II price and 43 cents less than the June 1984 Class II price.

The Class III price of \$11.20 for June 1985 was 26 cents less than the previous month and 89 cents less than the June 1984 Class III price.

The July 1985 Class I price will be \$13.16 for 3.5% milk.

MARKET STATISTICS

FEDERAL ORDER NO. 33

	JUNE, 1985		MAY, 1985		JUNE, 1984	
	3.5% Milk	B. F. Diff.	3.5% Milk	B. F. Diff.	3.5% Milk	B. F. Diff.
PRICE SUMMARY						
Producers' Uniform	\$12.28*	16.3¢	\$12.61*	16.3¢	\$12.98*	17.3¢
Class I	13.32*	16.3	13.65*	16.3	13.77*	17.3
Class II	11.70	16.3	11.71	16.3	12.13	17.3
Class III	11.20	16.3	11.46	16.3	12.09	17.3

*Central Zone. Southeastern Zone five cents more. Northwestern Zone five cents less.

	JUNE 1985	MAY 1985	JUNE 1984
PRODUCER MILK CLASSIFICATION			
TOTAL PRODUCER MILK	280,386,753	300,442,435	268,692,484
Percent Class I	46.1	49.4	50.6
Percent Class II	13.6	13.6	14.1
Percent Class III	40.3	37.0	35.3
UTILIZATION SUMMARY			
CLASS I PRODUCER MILK	129,155,016	148,411,666	136,088,496
Opening Inventory	9,092	11,595	228,538
Other Source - Unregulated	-0-	-0-	10,552
Other Source - Other Order	1,296,497	1,751,390	3,048,788
Overage	1,957	129,356	3,160
TOTAL CLASS I	130,462,562	150,304,007	139,379,534
CLASS II PRODUCER MILK	38,116,288	40,780,386	37,826,255
Opening Inventory	65,923	692,713	981,271
Other Source - Unregulated	1,738,813	2,148,973	1,559,462
Other Source - Other Order	-0-	-0-	822,131
Overage	-0-	13,450	-0-
TOTAL CLASS II	39,921,024	43,635,522	41,189,119
CLASS III PRODUCER MILK	113,115,449	111,250,383	94,777,733
Opening Inventory	17,780,163	21,507,831	19,879,505
Other Source - Unregulated	29,869,210	30,091,628	19,918,558
Other Source - Other Order	16,207,885	12,857,548	15,749,193
Overage	359,370	256,103	8,166
TOTAL CLASS III	177,332,077	175,963,493	150,333,155
TOTAL RECEIPTS AND UTILIZATION	347,715,663	369,903,022	330,901,808
PRODUCTION SUMMARY			
Percent Butterfat - Producer Milk	3.51	3.55	3.52
Number Producer Farms	5,093	5,208	5,365
Daily Average Production per Farm	1,835	1,861	1,669
Daily Average Producer Milk	9,346,225	9,691,691	8,956,416
Daily Average Producer - Class I	4,305,167	4,787,473	4,536,283
Percent Producer Milk to Class I	217.1	202.4	197.4
Percent Gross Class I to Producer Class I	101.0	101.3	102.4
Number of Reporting Handlers	39	40	43
Value of Producer Milk at Test	\$39,422,278	\$38,080,593	\$34,923,735
Income per Farm (Monthly Average)	\$6,759	\$7,312	\$6,510

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 AREA CODE: 614
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MARKET STATISTICS **FEDERAL ORDER NO. 36**

	JUNE, 1985		MAY, 1985		JUNE, 1984	
	3.5% Milk	B. F. Diff.	3.5% Milk	B. F. Diff.	3.5% Milk	B. F. Diff.
PRICE SUMMARY						
Producers' Uniform	\$12.26*	16.3¢	\$12.57*	16.3¢	\$12.98*	17.3¢
Class I	13.47*	16.3	13.80*	16.3	13.92*	17.3
Class II	11.70	16.3	11.71	16.3	12.13	17.3
Class III	11.20	16.3	11.46	16.3	12.09	17.3

*Zone 1, Zone 2 plus 5 cents, Zone 3 plus 8 cents, Zone 4 plus 10 cents.

	JUNE 1985	MAY 1985	JUNE 1984
PRODUCER MILK CLASSIFICATION			
TOTAL PRODUCER MILK	338,144,450	357,689,650	317,351,043
Percent Class I	45.2	47.2	49.0
Percent Class II	6.0	6.9	5.6
Percent Class III	48.8	45.9	45.4
UTILIZATION SUMMARY			
CLASS I PRODUCER MILK	152,857,041	168,904,194	155,356,545
Other Source - Dairy Products	-0-	-0-	-0-
Other Source and Beg. Inv. - Fluid	8,880	43,895	80,922
Overage	-0-	-0-	55
TOTAL CLASS I	152,865,921	168,948,089	155,437,522
CLASS II PRODUCER MILK	20,297,508	24,533,386	17,844,387
Other Source - Dairy Products	1,573,540	1,877,214	1,177,452
Other Source and Beg. Inv. - Fluid	1,541,125	1,485,089	1,324,560
Overage	1,009	1,032	75
TOTAL CLASS II	23,413,182	27,896,721	20,346,474
CLASS III PRODUCER MILK	164,989,901	164,252,070	144,150,111
Other Source - Dairy Products	679,296	756,284	1,705,977
Other Source and Beg. Inv. - Fluid	23,496,726	30,964,481	21,029,796
Overage	16,251	11,551	8,059
TOTAL CLASS III	189,182,174	195,984,386	166,893,943
TOTAL RECEIPTS AND UTILIZATION	365,461,277	392,829,196	342,677,939
PRODUCTION SUMMARY			
Percent Butterfat - Producer Milk	3.55	3.60	3.56
Number Producer Farms	6,089	6,133	6,222
Daily Average Production per Farm	1,851	1,881	1,700
Daily Average Producer Milk	11,271,482	11,538,376	10,578,368
Daily Average Producer - Class I	5,095,235	5,448,522	5,178,552
Percent Producer Milk to Class I	221.2	211.8	204.3
Percent Gross Class I to Producer Class I	100.0	100.0	100.1
Number of Reporting Handlers	37	37	37
Value of Producer Milk at Test	\$41,831,263	\$45,653,053	\$41,642,312
Income per Farm (Monthly Average)	\$6,870	\$7,444	\$6,693

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7851 Freeway Circle, Middleburg Heights, Ohio
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COMPUTATION OF UNIFORM PRICE FOR JUNE 1985

UNDER FEDERAL ORDER 36

BASED ON HANDLERS' REPORTS TO MARKET ADMINISTRATOR

EASTERN OHIO - WESTERN PENNSYLVANIA MARKETING AREA

	PERCENT	MILK POUNDS	3.5% PRICE PER CWT.	TOTAL VALUE
Class I Producer Milk	45.2	152,857,041	\$13.47	\$20,589,843.42
Class II Producer Milk	6.0	20,297,508	11.70	2,374,808.44
Class III Producer Milk	48.8	164,989,901	11.20	18,478,868.91
TOTAL PRODUCER MILK	100.0	338,144,450		\$41,443,520.77
Value of Overage				18,593.33
Value of Beginning Inventory and OS Charges				785.48
Value of Handler Location Adjustments				68,294.99
TOTAL POOL VALUE				\$41,531,194.57
Net Producer Zone and Plant Location Adjustments				(105,829.84)
½ Unobligated Balance in Producer Settlement Fund				169,097.73
PRODUCER MILK AND ADJUSTED VALUE		338,144,450	\$12.3008	\$41,594,462.46
Producer Settlement Fund Reserve			.0408	(137,952.93)
UNIFORM PRICE FOR 3.5% MILK - ZONE 1*		338,144,450	\$12.26	\$41,456,509.53

*Plus 5 cents, Zone 2; Plus 8 cents, Zone 3; and Plus 10 cents for Zone 4;
and less location adjustment for mileage at plants outside marketing area.

MARKET SUMMARY FOR JUNE 1985

Gross Class I utilization averaged 5,095,531 pounds per day during June 1985. On a daily basis this was a decrease of 6.5% from the previous month and 1.7% less than June 1984.

The June 1985 Class I utilization of producer milk totaled 152,857,041 pounds or 45.2% of the reported producer receipts. This utilization percentage is 2.0% less than last month and 3.8% less than June 1984.

The average butterfat test for gross Class I utilization was 2.5% for June 1985.

Receipts from 6,089 producers by 37 pool handlers regulated by Order No. 36 averaged 11,271,482 pounds daily for

June 1985.

On a daily basis this was 2.3% less than last month and 6.6% more than June 1984.

Producers supplying the market decreased by 44 from the May 1985 total and decreased by 133 from June 1984. The daily average producer receipts per farm of 1,851 pounds was 30 less than the previous month. On a daily basis this is 151 pounds more than June 1984.

The June 1985 Class I price was \$13.47 per hundredweight for 3.5% milk delivered to pool plants in Zone 1. This was 33 cents less than the May 1985 Class I price and 45 cents less than the June 1984 price. Prices for Class I milk in parts of the

marketing area other than Zone 1 reflect the specified location adjustment of plus 5 cents in Zone 2, plus 8 cents in Zone 3, and plus 10 cents in Zone 4.

The Class II price for June 1985 was \$11.70. This was 1 cent less than the May 1985 Class II price and 43 cents less than the June 1984 Class II price.

The Class III price of \$11.20 for June 1985 was 26 cents less than the previous month and 89 cents less than the June 1984 Class III price.

The July 1985 Class I price will be \$13.31 for 3.5% milk in Zone 1. Milk pooled in other Zones will have the usual adjustments.

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THE
MARKET ADMINISTRATOR'S
BULLETIN
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USDA ANNOUNCES CHANGES IN DAIRY PRICE SUPPORT PROGRAM

(Continued from front page)

purchase price for butter; the use in calculating the cheese purchase price of a 10-cent per cwt. projected net return for whey solids-not-fat in milk used for manufacturing cheese; and 4.25 cent differential between the purchase price for barrel and block cheese.

The manufacturing allowances used to calculate the new purchase prices remain unchanged. CCC-owned dairy products will continue to be offered for sale for unrestricted use at prices about 10 percent above the newly established purchase prices.

The prices that CCC will pay for dairy products are shown below. To qualify for the higher prices, dairy products must have been produced before July 1 and must be graded and offered to CCC by July 15:

	Products Produced before July 1, 1985, and Graded and Offered by July 15, 1985	Products Produced on or after July 1, 1985, or not Graded and Offered by July 15, 1985
----- Dollars per pound -----		
<u>Butter, 64- & 68-lb. blocks</u> 1/		
(U.S. Grade A or higher)	1.4325	1.3975
<u>Nonfat Dry Milk (spray) 50-lb. bags</u>		
(U.S. Extra Grade, but not more than 3.5% percent moisture)		
Nonfortified	0.8475	0.8075
Fortified (Vitamins A and D)	0.8575	0.8175
<u>Cheddar Cheese, standard moisture basis</u> 2/		
40- & 60-lb. blocks, U.S. Grade A or higher (no vat shall contain more than 38.5 percent moisture)	1.2875	1.2400
500-lb. in fiber barrels, U.S. Extra Grade (no vat shall contain more than 36.5 percent moisture)	1.2450	1.1975

1/ Single nationwide price for butter at all locations.

2/ The cheese price will be adjusted for moisture content, except that price adjustments for cheese with a moisture content of less than 34 percent will not exceed that for cheese with a moisture content of 34 percent.